

CBS EVENING NEWS
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CP07|ENGINEER/|RATHER: In California today, more mystery, more
|ESPIONAGE|questions. Jerry Bowen reports what investigators are
uncovering about Thomas Patrick Cavanagh, a man accused of
trying to sell technology at the cutting edge of U.S.
defense strategy to the Russians, a man who may be just
the latest example of a U.S. growth industry, espionage
and counterespionage.

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BOWEN: Investigators today described the 40-year-old
Cavanagh as a desperate man, so desperately in need of
money that he tried to arrange the bargain-basement sell
of the billion-dollar secret surrounding the highly
classified, radar-immune Stealth bomber. Acting on his
own, say investigators, Cavanagh telephoned the Soviet
Embassy in Washington and the Soviet consulate in San
Francisco. The consulate has long been suspected for
electronic eavesdropping on California's technically rich
'Silicon Valley.' Sources confirmed to CBS News the FBI
did some eavesdropping of its own, intercepting Cavanagh's
calls on a telephone bug and directing the Northrop
aerospace engineer to two FBI undercover agents posing as
Soviet spies. They met early this month in this Los
Angles area bar and then at this motel, where Cavanagh
allegedly turned over confidential documents and
blueprints and was recorded explaining that he needed
\$25,000 to eliminate credit problems standing in the way
of his promotion at Northrop, promotion to a top-secret
classification that would enable him to steal even more
secrets. 'But I need that top-secret level or I ain't
gonna get nothing, you know. I'm after big money.
Twenty-five thousand dollars is a drop in the bucket,
believe me.' The source of Cavanagh's money problem is
unclear. His estranged wife and two teenage sons live in
this Cerritos, Calif., house. One of the boys drives a
Corvette sports car. Cavanagh and his girlfriend had been
living in this apartment, which was sealed and searched by
the FBI. The manager of the apartment building where
Cavanagh and his girlfriend lived until August described
him as quiet but arrogant and a big spender.
MURIEL ZELMAN (apartment manager): Before they moved,
there were lots of packages came from some of the
exclusive stores like I. Magnin.

BOWEN: Cavanagh's being held tonight at Terminal Island
Prison until a Friday bond hearing. The government is
arguing against bail. Jerry Bowen, CBS News, Los Angeles.